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Some of the ways community action agencies (CAA) can best implement the Community Action Program Mission in rural America are suggested in this paper. Generation of new employment and other income-producing opportunities for the poor within the rural community is recommended as an area for primary focus. The strategy for economic development is outlined and the CAA's primary role is specified. Discussion includes the areas of self-help enterprises, business and industrial development, and manpower programs. Organizational suggestions, sources of assistance, and federal programs are also considered. The appendices include a job description for the economic developer, case histories of self-help enterprises, case histories of business and industrial development, and case histories of manpower functions of the CAA. (SW)

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INTRODUCTION

The purpose of this CAP guidance paper is to suggest some of the ways community action agencies can best implement the CAP Mission with relation to the 16 million poor people in rural America. Future issuances will expand on this theme and supply further information based on CAP experience.

Section 201.(b) of the Economic Opportunity Act as amended states that "it is the purpose of this title and the policy of the Office of Economic Opportunity to provide for basic education, health care, vocational training and employment opportunities in rural America to enable the poor living in rural areas to remain in such areas and become self-sufficient therein. It shall not be the purpose of this title or the policy of the Office of Economic Opportunity to encourage the rural poor to migrate to urban areas, inasmuch as it is the finding of Congress that continuation of such migration is frequently not in the best interests of the poor and tends to further congest the already overcrowded slums and ghettos of our Nation's cities."

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To be responsive to this Congressional directive, community action in rural areas should focus on generation of new employment and other income-producing opportunities for the poor where they live, with emphasis on rural economic development as a vehicle for building the capacity of the poor to become self-sufficient.

The strategy should include:

1. "From the bottom up" self-help programs within rural areas, with the CAA taking the initiating role, and providing or facilitating technical assistance.
2. "From the top down" business and industrial expansion providing off-farm jobs for the rural poor, with the CAA as a catalyst and participating agency, possibly as coordinator.
3. Job development and placement in both the public and private sectors, job training programs, technical assistance to self-help projects, with the CAA as operator or delegator of programs, or coordinating with other agencies.

This strategy should be paralleled with development of broadly-based local leadership which will act effectively as advocate of the interests of the poor. This will mean organization and leadership development among low-income people to enable them to speak for themselves, as well as concern and advocacy within the community at large.

Because local resources in rural areas are severely limited, and often unavailable to the poor, the CAP strategy of support, planning and coordination will have to be fully utilized by local CAAs and by OEO's Office of Rural Affairs, Headquarters and Regional OEO/CAP and State Economic Opportunity Offices in order to marshal all available Federal, State and local resources, including private resources and volunteers, into effective community anti-poverty action. VISTA can also play a major role.

The CAA's Primary Role

The primary role of the CAA is to initiate and support the kinds of community organization, technical assistance and human resource development which will strengthen ongoing economic activity and initiate new activities which provide full employment for the poor in a manner consistent with human dignity and development. By being constantly alert to areas of opportunity, the CAA can make its own programs more effective, and also channel other local, State and Federal resources and programs to those most in need of assistance.

To provide appropriate support for its economic development role, the CAA should make every effort to employ, or designate a present staff member as, a full-time Economic Developer whose responsibility is to focus on generation of employment and other income-producing programs for the poor. A suggested job description for such a position is attached (see Appendix A).

I. SELF-HELP ENTERPRISES

Self-help economic enterprises make it possible for low-income people to own their own businesses and to have the opportunity for economic benefits and human dignity. They can gain experience in planning and working with others, as well as in managing and controlling factors which affect their destinies. Self-help can also have the effect of developing indigenous leadership and cohesive organization in the community.

A self-help organization for economic improvement in a rural community can provide the take-off point for other kinds of programs the low-income people decide they need, such as adult basic education, day care centers, health care, credit union, or transportation. Such a group of programs can give these families a neighborhood service system--an inter-related grouping of activities adding new services or opportunities for family members, and all operated by the people of the neighborhood. (See Appendix C for the Fayette County, Tennessee, story of a neighborhood service system and economic development.)

Since rural people usually live too far apart to make up what is known as a "neighborhood" in town and cities, a rural neighborhood should be understood as a community of interest rather than a distinct geographic area. Thus a rural neighborhood consists of a group of people living throughout a wide area but sharing a need and a plan to meet the need.

Two Kinds of Self-Help

Two ways in which low-income people can help themselves get a better income are:

1. As individuals providing self-employment by establishing a small business of their own;
2. Through organizations of low-income people, usually cooperatives or corporations engaged directly in production and marketing of farm or non-farm products. A new form of group enterprise not yet extensively in use is the Community Development Corporation (CDC), which generates and funds production enterprises. Federal legislation for CDCs is under consideration by Congress.

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Self-help programs can contribute to broader business and industrial development in a community through demonstration of citizen concern for economic development. They can also create a better-trained labor force and improved community facilities. All of these can be attractive to potential investors.

Individual Self-Employment

Many people with sub-marginal incomes have the ability to operate a small business but do not have the financing or the management capability required. With CAA assistance, many such people in rural areas are now attaining self-sufficiency through a wide variety of businesses such as trucking, grocery retailing, dressmaking, service stations, custom meat-cutting, ceramics, laundries, and appliance repair. Many of these business people have become employers of other low-income people as their businesses expand and create new job opportunities.

The CAA can help individuals interested in self-employment to obtain the necessary capital and technical assistance. In some cases, through contacts of CAA staff, board members and other CAA supporters, local capital can be obtained for low-income borrowers. The Farmers Home Administration (FHA) of the U. S. Department of Agriculture and the Small Business Administration (SBA) are two Federal agencies which make loans for self-employed rural people. A market survey should be made prior to developing applications, to assure that a need for the proposed enterprise exists in the community. FHA administers OEO's Economic Opportunity Loan program through which rural families can borrow for small non-farm enterprises. Such loans may be used to purchase land, construct or repair buildings, buy and install equipment, refinance debts on property used in the business, and pay normal operating expenses. Application is made to the county FHA office.

SBA makes Economic Opportunity Loans to individuals and to groups (see also Sources of Assistance for Organizations, page 6). Individual loans are based on character and ability more than on collateral. This program emphasizes management training to assure borrower competence to make a success of the new enterprise.

Many CAAs have helped to get SBA loans and technical assistance for low-income people. One CAA sent its Economic Developer to an SBA field office for training in the SBA application process. He has assisted 47 people in getting loans, and also set up a volunteer business advisory committee to help SBA borrowers acquire management skills. Another CAA (see Ful-Mont, Appendix C) arranged for an SBA representative to make periodic visits to its neighborhood centers to consult with potential applicants.

SBA publishes a number of pamphlets including a series on starting and managing a business. It has field offices throughout the country. The OEO/CAP Regional Office can provide information on the nearest SBA office, or CAAs can write to Small Business Administration, Washington, D. C. 20416.

In development of self-employment opportunities, a CAA Economic Developer should not overlook the possibilities of franchise businesses. He should also explore the local commuting area--both the public and private sectors--for possibilities of subcontracting for products requiring simple skills. Such subcontracts can become the basis of employment through which greater skills can be developed, thus opening up more rewarding employment to the workers.

The CAA should make sure that all low-income people who enter self-employment have access to training and continuing management support. As mentioned above, local business people can serve on volunteer advisory committees at the request of the CAA, providing a crucial resource for the business beginner. Such volunteer committees broaden community and private sector involvement in community action and open up new channels of communication between the poor and the non-poor for the benefit of the total community.

Organization for Self-Employment

Grass roots organizations are moving ahead in self-help projects in many CAAs. More than 90 cooperatives have been organized. Sometimes an organization covers a part of a single county, sometimes as much as 10 counties. Through CAA organizations many poor rural people are helping themselves by producing and selling truck crops of vegetables or fruit, or raising livestock, or producing honey or dairy products. Some groups make and sell handcrafts or wood products. In Alaska isolated villagers are learning to build and operate their own electric plants to bring in power which will help them get industry.

CAP experience has highlighted some problems in organizing self-help programs in rural areas. Inexperienced and isolated rural people may know very little about running a business, or about interacting with other people in a group structure such as a cooperative or a corporation. They may not know how to serve effectively as officers or board members. To achieve economic productivity they may need to learn new skills or upgrade those they have. Because of distances in rural areas, members have trouble maintaining communication with each other and getting to meetings.

CAP experience with these factors indicates the vital importance of building into self-help programs massive, intensive and continuing membership training and technical assistance. Provision of adequate transportation should also be emphasized.

Problems may also arise from community reluctance to change traditional ways of doing things, and the low level of available social and economic resources.

Potential stumbling blocks such as these should be recognized and confronted during the organization and development of the project, and the goals of the enterprise should be realistically presented to the membership and the community at large. To undertake a self-help project without making all members aware of these realities can result in frustration and discouragement.

OEO Special Impact Program. This is a new experimental program designed to promote community based economic development as a means of making a measurable impact upon chronic unemployment, dependency and community tensions in urban areas of high concentrations of poverty and rural areas of high out-migration. The program provides substantial grants to community development corporations representative of the special impact area. These grants may be used for a variety of investment programs which will create jobs for poverty area residents, develop managerial and entrepreneurial skills, and create opportunities for the participation in ownership of production and commercial facilities by poverty area residents. The community development corporation has analogies to housing development corporations and to private development companies. It can guarantee loans and provide technical assistance to existing businesses and can itself participate in an enterprise on an equity basis.

The program requires the active participation of the local business community as well as the residents of the poverty area. Special Impact programs are funded under Title I-D. Funding is limited, and a few rural programs will get underway within the next few months. The CAAs in Special Impact areas should work closely with the program to provide planning, support and coordination of services.

Sources of Assistance for Organizations

Many sources are available to the CAA in organizing and giving support to a self-help economic development program. Most of the sources are directed toward work with cooperatives.

First-hand knowledge and experience in rural self-help programs is an essential requirement for persons or institutions providing assistance to rural CAAs. Fortunately the pool of such resources is much greater today than it was a few years ago, thanks to the wide range of CAP-funded projects. These have produced and are producing a body of experience--successes and failures--which can now serve as a solid source of information. The people who have participated in rural self-help--low-income people, CAA staff, Regional and Headquarters staff--constitute a unique resource of technical assistance and training skills. CAP expects to utilize this resource in its guidance and to pass along the information gleaned from actual experience. Exchange of information between CAAs can also serve to make such information available.

In addition to this CAP-based experience, many other sources of assistance are available:

Qualified consultants can be obtained through the technical assistance contracts of OEO/CAP Training and Technical Assistance Division. Requests should go to OEO/CAP Regional Office.

The Special Technical Assistance Program (STAP) of OEO/CAP assigns a staff of 20 rural-oriented specialists for six months to two years to areas where other forms of technical assistance are not available or have proven inadequate. Assignment priorities are set through

coordination of the CAA, the Regional Office and OEO Headquarters. Due to the heavy demand for the services of STAP specialists, only a few CAAs can obtain them each year. STAP Operational Guidelines explaining the program and how to apply are available from OEO/CAP Regional Offices.

A Technical Action Panel (TAP) consisting of the local representatives of U.S. Department of Agriculture agencies is organized in almost every rural county. TAP may also include other agencies. The CAA should be an active member of TAP in order to mobilize the resources represented on it for the low-income community. A great many CAAs are successfully doing this, resulting in new programs for cooperatives, improved crop production, housing, soil management improvement, youth programs and homemaker and consumer education, among others. These USDA agencies can be especially helpful in organizing self-help programs:

1. The Cooperative Extension Service has expertise in community resource development and agricultural production and marketing. Its agricultural specialists work with low-income farmers setting up crop production programs, solving marketing problems, and following up with meetings and individual visits to assure that correct procedures are being followed. Extension can also assist in planning forestry cooperatives, and in making surveys and planning for industrial expansion. A recent long-range Cooperative Extension Service study, A People and a Spirit, recommends increased emphasis on work with low-income farmers and with cooperatives. CAAs should make full use of this new program direction.

2. Farmers Home Administration (FHA) administers OEO's Economic Opportunity Loan program, under which loans can be made to low-income individuals and to cooperatives in which two-thirds of the members are low-income. EO loans to individuals can enable them to become members of cooperatives, and self-help organizers can use these loans as a means of raising capital for an emerging cooperative, thus freeing it from an initial burden of indebtedness. FHA also makes loans for low-income housing, including self-help housing, and provides loans and grants for rural water and sewer systems. One of the earliest CAA-initiated cooperatives, Neuse-Trent Diversified Marketing Association in Craven County, North Carolina, has expanded to include farmers in Pamlico and Jones Counties. Its members used EO loans to buy equipment and supplies for raising strawberries, cauliflower and other vegetable crops. The modern coop plant was built with an EO cooperative loan.

3. Farmer Cooperative Service (FCS) is not represented in the county TAP, but can be reached through TAP. Its specialists provide technical assistance in planning and organization of cooperatives and in crop production and marketing. They also conduct feasibility studies and help with in-service training. A list of FCS publications is available from the Administrator, Farmer Cooperative Service, U.S. Department of Agriculture, Washington, D.C. 20250.

4. The Forest Service controls access to and regulates the use of public lands. It will often work with low-income families on grazing and timbering permits, and will aid in setting up training programs for proper timber management. Poor people's enterprises utilizing forestry products or public lands should work closely with both Federal and State Forestry officials.

5. The Agricultural Stabilization and Conservation Service (ASCS) shares up to 80 percent of the cost of certain farm projects conducted by low-income farmers. These include home garden projects, Christmas tree plantings, and soil-building and soil- and water-conservation projects. Surpluses of home gardens may be sold commercially. These programs can be a valuable resource in developing self-help production programs.

The Small Business Administration (SBA) has an Economic Development Loan program under which a Local Development Company (LDC) can borrow to finance small local businesses, industrial parks, and other similar enterprises. Twenty-five or more citizens are required to form an LDC, which may be either a profit or a non-profit corporation. (See also SBA, page 4.)

Land Grant Universities and Community Colleges can supply information, training and technical assistance in developing cooperatives and other self-help organizations. The Extension Service study, A People and a Spirit, recommends expansion of the working relationship between predominantly white and predominantly Negro land grant institutions for Extension work. CAAs located near such institutions should follow up on possibilities of using their resources.

State Economic Opportunity Office (SEOO). The SEOO often can provide technical assistance and access to resources of other State agencies. An agricultural specialist on the Arkansas SEOO staff initiated a feeder pig program of the East Central Arkansas Economic Opportunity Council (see Appendix B) and has worked closely with the CAA in developing the project.

Other Sources. Foundations, national church groups and civil rights organizations are other sources of financing and technical assistance for self-help organizations.

APPENDIX B DESCRIBES SOME TYPICAL CAA-INITIATED SELF-HELP PROGRAMS

II. BUSINESS AND INDUSTRIAL DEVELOPMENT

Economic development to bring business and industry to rural areas requires a considerable degree of expertise and is therefore likely to be a "top down" kind of operation with limited possibilities for the poor to participate. Accordingly, the CAA should wherever possible seek to have low-income and unemployed people on the community economic development board, and should work to convince the business sector of the importance to the community of economic development responsive to the needs of the poor. Such activity in tandem with grass roots programs can create a broader range of economic change--one which produces jobs for the rural poor in business and industry along with a role for the poor in planning and conducting their own self-help projects.

In a number of rural communities which have succeeded in attracting industry, the poor have benefitted little. Too many rural poor are unknown to the employment service, untrained for available jobs, unaware of possibilities of employment, and, when jobs do present themselves, often unable to take them because of lack of transportation. The CAA should pursue a vigorous policy of advocacy for jobs for the poor in existing and new industry, and should also be actively involved in any existing economic development program. If there is none, the CAA needs to become the catalyst for a community-wide economic development thrust. (See examples in Appendix C.)

It is possible for a CAA or combination of CAAs to take advantage of local or regional economic development for the rural poor by working on interrelated projects. Manpower for the plants may be recruited and trained; potential suppliers of raw materials may be organized around the economic opportunity presented by the new industry. Technical assistance can be provided the potential suppliers so that quality and quantity control can be assured. Day care centers can be organized to enable low-income mothers to take advantage of new employment opportunities. Housing programs can be organized around the economic input provided by the new opportunity. The CAA should use its initiative as well as its place in the community to remove all obstacles which have hitherto been used as the excuse for not providing jobs for the rural poor.

It is generally recognized that the low level of resources in rural areas makes economic development difficult and in many individual counties virtually impossible. Groups of counties can provide a more feasible base for economic development through coordination of resources. Such pooling, for example, can mean that a processing plant in one county buys from producers in the other counties and employs workers from those counties. An area or small city with growth potential can become the development center of a coordinated program for a multi-county area.

An umbrella-type of technical assistance agency, covering several counties and CAAs, has proved effective in providing higher quality direction and more highly specialized staffs than individual counties or single CAAs could afford. The Upper Peninsula Community Action Program (UPCAP) in Michigan, covering six CAAs, has helped to stimulate industrial expansion and job creation in a largely rural area (see Appendix C).

Congress has been explicit in its charge to OEO/CAP to stimulate new employment opportunities for the rural poor, but due to the shortage of total OEO/CAP funds little more than seed money is available for economic development. The CAA will therefore have to achieve this objective primarily through means other than OEO funding. These should include re-thinking present direction of OEO funds; mobilization of non-OEO resources; using the skills and expertise of volunteers including CAA board members; obtaining technical assistance from the Regions, Headquarters, SEOs and other CAAs; providing effective coordination for economic development activities, and hiring quality CAA staff members to work in economic development (see Appendix A).

Two broad areas of action might be suggested:

1. Utilizing the resources of ongoing public and private economic activity for jobs and training for the poor. This is discussed in Section III of this issuance.
2. Developing new job opportunities, by expanding public and private economic activity and gaining access to public and private sources of investment capital.

To be effective in these areas, the CAA must be able to participate meaningfully in the decision-making of local economic development. How this is accomplished will depend on local conditions and personalities, but without such CAA participation in the planning and development of new economic activity, the interests of the poor are likely to continue as an item of low visibility and low priority.

New jobs in the public and private sectors will hinge largely on new investment capital--undoubtedly the most difficult challenge of rural economic development. Local sources are likely to be limited, but all possibilities should be vigorously explored since the experience of some rural CAAs indicates that local capital may be available. Some foundations and church groups make grants and loans to rural industry to provide employment for hardcore poor. Public funds from the Economic Development Administration and the Small Business Administration have helped many CAA areas. (See Appendices B and C.)

EDA Programs

The policy of the Economic Development Administration (EDA) in the U.S. Department of Commerce is to develop a stable base for long-term employment opportunities in rural areas through diversification and strengthening of the economy. Counties with persistent and substantial unemployment or underemployment, low family income and population loss are eligible to apply for designation as redevelopment areas. These areas are eligible to receive EDA loans, grants and technical assistance for vital public facilities and for industrial and commercial development and expansion. Technical assistance can include feasibility studies, planning and programming of economic development projects, management and operational assistance to business firms, and planning of development facilities.

EDA encourages economic development through multi-county Economic Development Districts (EDD) in order to provide a broadened resource base. At least two counties in an EDD must be redevelopment areas.

Two publications are helpful in learning how to use EDA resources. The EDA Handbook explains the organization and programs of the agency and how to qualify for EDA assistance, and suggests additional agency publications. It is available for \$1 from the Superintendent of Documents, U.S. Printing Office, Washington, D.C. 20402. Economic Development, available from the same source for \$1.50 a year, is a monthly report on specific programs and policies of EDA. Its information can alert CAAs to ongoing EDA-assisted programs in its area which can offer job opportunities and with which the CAA can work in providing supportive services for low income people.

A third publication, Handbook for Economic Development District Organization, describes steps to be taken following county designation as a redevelopment area. The supply of this publication is limited, but when a group of counties is ready to consider EDD designation copies can be obtained through the CAP Regional office from the EDA Area office. The EDD handbook provides for CAA participation by calling for EDDs to involve the poor and spokesmen of the poor, and also to involve the unemployed in developing programs and serving on boards of EDDs. It also calls for EDDs to put CAA directors on their technical advisory panels.

Eligible EDA Projects

Examples of eligible projects for EDA assistance are:

- industrial park development such as utilities and access roads;
- water and sewer facilities for primarily commercial and industrial users;
- skill centers for training or retraining unemployed or under-employed adults;
- tourism facilities.

Grants are also available for economic planning.

Working with EDA

EDA has seven area offices. CAAs should request the assistance of the OEO/CAP Regional Office in making contact with EDA. Often local intelligence will be available even before regional or national offices are aware of a possible EDA project. The CAA with good contacts with local press as well as county officials may be in the position of having good lead time within which to plan the advantageous use of EDA programs.

Other Federal Resources

Farmers Home Administration

FHA loans for family and senior citizen housing can provide a source of employment and skill training in the rural community. The Organized Community Action Agency, a three-county CAA in Alabama, sponsors a housing program worked out with the FHA supervisor, and a number of men, formerly unemployed, are building houses for needy families and acquiring construction skills.

Technical Action Panels

The local TAP can be the source of many kinds of technical information and assistance for economic planning. For example, the Soil Conservation Service can provide soils and water resource surveys; the Economic Research Service does economic background and evaluation studies; the Statistical Reporting Service can help with survey planning; Extension Service does distribution and marketing surveys; and Forest Service can provide forestry research and access to public lands.

By coordinating its own backup material with that from local agencies, the CAA can sometimes provide the kind of information required to attract business into its area. In Oklahoma, the Jefferson-Love-Carter Counties Community Action Foundation provided a labor survey which was a decisive factor in locating an aircraft industry in the area. A survey by Fayette County, Tennessee, CAA was crucial in the location of a frozen food plant.

APPENDIX C DESCRIBES SOME CAA ACTIVITIES IN BUSINESS AND INDUSTRIAL DEVELOPMENT

III. MANPOWER FUNCTIONS OF THE CAA

Improving the level of employment in rural areas requires two basic elements--jobs, and workers able to hold jobs and get to them with regularity. Because manpower services are often unavailable in rural counties, the CAA finds itself faced with the need to organize and operate some components of a manpower program such as job placement, job development and on-the-job training, together with supportive services such as outreach, counseling, health and rehabilitation referrals and services, and education. To carry out these functions, the CAA can utilize the potential of the private sector as well as existing Federal, State and local resources, which may include the following Federal programs: Comprehensive Area Manpower Planning System (CAMPS), Neighborhood Youth Corps, Job Corps, Concentrated Employment Program (CEP), Work Incentive Program (WIN), Operation Mainstream and New Careers.

The manpower role of the CAA should go beyond the needs of the poor, to include helping to create a community awareness and understanding of the need for manpower programs and their potential for raising the level of the community's economic health. Effective manpower programs undertaken by a concerned community can exert drawing power in allocation of industry and capital.

Coordination with CAMPS

CAMPS is an interagency coordinating system for Federal manpower resources. It operates at multi-county area, State and Regional levels. Participation can result in improved benefits to the CAA area from the available manpower programs. If a CAA is not a member of an area CAMPS, information on forming such a group is available from the State Economic Opportunity Office, the State CAA association, or the Regional Manpower Specialist.

Job Placement

Many typically rural factors make it hard to get rural people into jobs: the high rates of unemployment and underemployment, the seasonal nature of much rural employment, and the lack of communication and transportation. By establishing a job placement service and using outreach workers as a link to the unemployed and underemployed, many CAAs are providing a new and essential service.

Mahube Community Council in Minnesota provided the first manpower services in its three-county area, and assigns an Indian employee as an itinerant outreach aide to work with residents of an Indian reservation. Sandhills CAP in North Carolina sends out Employment Service representatives in its two circuit-riding Jobmobiles. West Central Iowa CAA started out with one central job office, now has employment services in all four of its counties. (See Appendix D for details on Mahube and West Central Iowa programs.)

Job Training

In rural areas a high percentage of job applicants require training, due to the shift away from traditional forms of rural employment. Many CAAs are participating in area-wide training programs, acting as the local program sponsor in coordination with Manpower Development and Training, CEP or similar programs. CAAs should make full use of the resources of vocational schools, adult basic education classes and other resources offering training opportunities.

On-the-job (OJT) training programs of the Department of Labor now call for new programs to be handled through industry, rather than through community organizations. In order to apply for new programs, therefore, it will be necessary for the CAA to survey its area to find an industry which has training slots, stimulate its interest in doing training, and assist it in applying to DOL for an OJT program. Volunteers from the business community can be helpful in such undertakings.

Job Development

Job development in the rural community should emphasize broadening of the job base by persuading both private and public employers to modify conventional attitudes about realistic qualifications needed to fill a job. This requires strong and persistent advocacy on the part of the CAA staff, and continuing contact on the part of the Economic Developer with the public and private sector employers, but many CAAs are succeeding in getting new jobs opened up to the poor in this manner. A CAA job developer in Tennessee persuaded an industry personnel director to give trial employment to a small number of men who could not meet the education requirement of the plant--a high school diploma. Because of their good work performance, the plant changed its educational requirement and now employs many men who have not completed high school. A Virginia CAA manpower director negotiated with a new plant to try employing low-income people. She briefed the applicants on filling out application forms, and explained what would be expected of them as employees. She also arranged with the workers to be responsible for each other's attendance. In eight weeks 39 of 45 low-income employees had perfect attendance, and the plant was eager to employ more. Now more than 250 men and women from the low-income population work in the plant. Many CAAs have been successful in placing low-income and minority people in permanent jobs in local government offices, hospitals, highway departments, electric cooperatives, and other public-related employment.

Public Employment

Public employment as a source of job opportunities should not be overlooked, particularly in counties where racial and ethnic minorities have traditionally been excluded from public employment. CAAs should

survey the employment of the poor in the public sector--county and municipal government, federal agency offices, offices of beneficiaries of federal loan programs such as public utilities and cooperatives for electricity, telephone and credit, and other areas of public-connected programs. (See also section on New Careers, p. 16). Little improvement in the private sector can be expected until the public sector sets an example for the community. CAAs, therefore, should coordinate all alleged discrimination matters with the Regional Civil Rights Coordinators and assist individuals in filing complaints in situations where private industry holding government contracts is not in compliance on civil rights, and where local, State and Federal offices fail to provide fair and impartial treatment regarding new employment or upward mobility. In addition, a detailed statement of fact can be sent to the Office of Federal Contract Compliance, 13th and Constitution Avenue, Northwest, Washington, D.C., by the person making the complaint stating that he has suffered discrimination due to race or sex. The CAA can provide assistance in following up and filling out necessary forms.

The CAA should work locally and on the State level to change State and local civil service regulations to create a new level of subprofessional service which will be open to low-income people.

Federal Programs

Federal programs which operate in some rural areas and can make jobs available in the CAA area include:

CEP, which has as its goals overall rural economic development, development of jobs, and identification and preparation of people to fill these jobs. The program is funded under OEO Title I-B, and is operated by the Department of Labor under the OEO-DOL delegation. It combines under a single contract all manpower program resources in the CEP area and focuses them on moving individuals from unemployability and dependency to employment and self-sufficiency. Eleven rural areas comprising about 100 counties and four Indian reservations are now designated as CEPs, with CAAs as prime sponsors. At this time it appears that no additional CEP areas will be designated in the near future.

WIN, the Work Incentive Program of the Department of Labor, provides manpower services for recipients of Aid to Families with Dependent Children, with the purpose of moving them toward self-support. The program was authorized by the 1967 amendments to the Social Security Act, with operation assigned to the Department of Labor. The CAA can play a key role in WIN by providing supportive services for enrollees, assuring that eligible participants are enrolled, and coordinating in development and operation of the day care centers required by the WIN program. WIN can be a source of increased subprofessional staff for the CAA and other local agencies, and the CAA can make sure these agencies are surveyed for subprofessional employment opportunities for WIN enrollees.

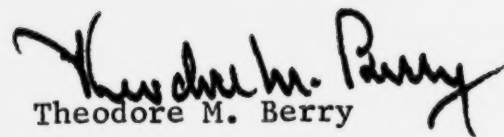
The program is now expanding, and is expected to have 300,000 enrollees by 1971. The State Employment Service will operate the WIN program at the State and local levels, and a CAA should direct inquiries to the SES to learn when its CAA area will be phased into the program.

New Careers, a Department of Labor program, offers a new source of jobs in areas where it is available. It emphasizes creation of jobs as support to professional personnel in public service. Routine and low skill tasks now performed by professionals are taken out and structured into new jobs which are filled by unemployed and underemployed adults. These positions are usually in the fields of health, education, welfare, and public safety. Local, county, State and Federal offices, schools and hospitals are possible sources of New Career job development. The OEO/CAP Regional Manpower Specialist of the State Employment Service can tell the CAA whether a New Careers program is available.

Operation Mainstream provides work experience and training to adults, many of them older persons, who have a history of chronic unemployment. This is primarily a rural program. Operation Mainstream employees work on community improvement programs including parks, beautification, reforestation, housing rehabilitation and water pollution. Many CAAs have been able to place Mainstream employees in permanent employment after they have acquired skills working on Mainstream projects.

Extension Service Nutrition Program, a new five-year program for nutrition education, is being established in 620 rural and urban areas, many of them covered by CAAs. The program employs subprofessionals as outreach workers and teachers working with disadvantaged families. The CAA has an opportunity to coordinate with this program, assisting in identifying, screening and training applicants for the subprofessional jobs, and providing supportive services for the new employees.

APPENDIX D DESCRIBES SOME CAA MANPOWER ACTIVITIES


Theodore M. Berry
Director
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Attachments

APPENDIX A. ECONOMIC DEVELOPER JOB DESCRIPTION

The function of the Economic Developer in a rural CAA is to develop job creation and income improvement programs for low-income residents through self-help enterprises, expansion of local business and industry, and manpower services for the purpose of increasing opportunities for rural people to become self-sufficient while remaining in their own communities.

Suggested areas of activity for the Economic Developer:

1. Works with low-income residents to help them organize and conduct self-help enterprises through which they can improve income, upgrade skills and attain capability for self-sufficiency.
2. Assists low-income individuals with potential capability for self-employment in business or industry to obtain appropriate financial and technical support.
3. Initiates if necessary and works to strengthen local or area-wide planning and coordination for broadening the job base of the community or area through business and industry expansion. This includes:
 - a. mobilization of local, State and Federal financial and technical assistance resources in the public sector, and local, State and national financial and technical assistance resources in the private sector, including use of volunteers; and
 - b. coordination with Technical Assistance Panels, Economic Development Administration, Small Business Administration, and other agencies and groups which have resources pertinent to rural economic development.
4. Surveys community to determine employment patterns in public, public-related and private sectors and works with employers in restructuring criteria to achieve expanded employment of low-income persons.
5. Initiates and supports a broad range of manpower services which will enable low-income residents to acquire skills leading to self-sufficiency.
6. Works with CAA director and other CAA staff members to
 - a. focus attention on and recruit support of economic development with total community impact, which includes the poor;
 - b. encourage board members and other supporters of the CAA to use their resources and positions in the community to further the CAP pattern of economic development; and
 - c. develop transportation to enable the poor to get to jobs within a feasible commuting area.

APPENDIX B. CASE HISTORIES OF SELF-HELP ENTERPRISES

Scott County Rural Area Development Association, Gate City, Virginia

Early in 1968 the CAA Director and a STAP specialist assigned to the area met with a few farmers in this traditional tobacco-growing area to consider the idea of a growers' cooperative for production and sale of trellis tomatoes. The feasibility of the project was explored further with the SEOO, the Extension Service, and Farmers Home Administration. CAA staff and board members, Extension staff and private citizens visited tomato cooperatives in North Carolina, and researched market potential.

When the decision was made to proceed with the project, the Agricultural Stabilization and Conservation Service (ASCS) sent out information to every farmer, and newspapers and radio stations publicized the organizational meeting. One hundred and fifty farmers came out for the meeting, and 30 signed up at that time. A steering committee with good area-wide representation was appointed, and proved to be the backbone of the project, working long hours to plan, budget, carry out the incorporation plan, investigate markets, hold meetings, sign up members, and provide information. The STAP man worked closely with the steering committee.

In March 1968 the Southwest Virginia Tomato Growers Cooperative was incorporated. The Virginia Polytechnic Institute and the Virginia Council of Cooperatives assisted in the work of incorporation.

The Scott County CAA committed \$37,000 in local initiative funds for purchasing packaging machinery, the salary of the coop manager, and operating expenses. The CAAs in Wise and Lee Counties each provided \$5,000 of local initiative funds for operating costs, and local businessmen contributed \$1,500.

In the first planting season, 152 farmers, each with a \$5 share in the cooperative, planted 60 acres of tomatoes. Many received FHA loans for fertilizer, seed and equipment. A tobacco warehouse was obtained, rent-free, to be used for grading and packaging. Unfortunately, the warehouse was needed for tobacco a month before the end of the tomato season, so the last part of the tomato crop had to be marketed by the individual growers. Even so, net income the first season averaged \$900 - \$1,000 an acre. One farmer with .2 acre netted \$800, another with 1/3 of an acre netted \$1,500.

This year the CAA is funding additional staff jobs for the coop--a horticulturist and a field worker in each county. The CAA is also providing a revolving fund for the coop to purchase seed and fertilizer at wholesale rates for the farmers. The coop has applied for a loan from FHA to build a refrigerated warehouse.

The CAA anticipates the coop will have a multiplier effect resulting in establishment of credit unions and other self-help programs, as well as the prospect of developing other high-yield crops.

Ozarks Area Community Action Corporation, Springfield, Missouri

Low-income dairy farmers are improving their income through a dairy production testing program initiated by the Ozark Area CAA and conducted with the cooperation of the University Extension Council of Webster County. About 100 farmers participate in this program, and the first year's results averaged out at a 30 percent increase in income. Local low-income dairy farmers work as program aides under a professional dairy specialist.

The program uses a computer, located at the University of Iowa, to analyze herd records kept by the participating farmers. From this the farmer gets a monthly performance profile for each cow, which helps him improve herd management. He also learns about feeding, testing, breeding, soil management and other aspects of dairying.

One farmer was feeding his herd alfalfa hay and a 12 percent grain ration. The report from the computer recommended a 6 percent grain ration. The difference after one month on the cheaper feed for the herd of 13 cows was a gain of \$108 in income.

Floridana Economic Development Association, Amite, Louisiana

This CAA, operating in St. Helena, Livingston and Tangipahoa Parishes, is bringing low-income people into self-help programs through its Multi-purpose Farm Services program. Vegetables and feeder pigs are the chief products at this time.

The Farm Services program was proposed by a CAA board member, at that time a dean of Southeastern Louisiana University and now director of the program, who felt that improved farming skills would provide income improvement and reduce outmigration from the area. The CAA Board initiated the program last year.

In its first season, the vegetable production and marketing program had 63 participants whose total income from the project was \$5,300--not much, but roughly five times their income from vegetable growing the previous year. For the second season more than 350 growers have signed up. One hundred and twenty-five will grow cucumbers on 400 acres under contract to a packing company in Mississippi, and others will produce snap-beans, squash, cucumbers and okra for the general market. The CAA staff arranges for marketing, and is negotiating with other contractors.

Program participants become members of the Union Growers, Inc., a cooperative organized by the original Union Growers Partnership which functioned in the first year of the program. Officers and a board are elected by the membership. The secretary-treasurer of the association keeps the project books and records and also serves as a program aide.

Eleven outreach aides, four of them elderly, work with the members and visit them once a week to teach them good crop practices. The program has a soil sampling project which sends samples from each farm to be tested in an LSU laboratory. If liming is indicated, the ASCS supplies it, as well as fertilizer, at a reduction cost--usually 80 percent--through the ACP cost-sharing plan for low-income farmers.

Outreach workers receive in-service training from the program director and agricultural specialists of the Extension Service, LSU and its Experiment Station.

Non-OEO funds were needed to build a bean-packing shed, and the program director worked with the State Department of Agriculture to obtain a \$1,000 loan for the cooperative. It is being paid back at the rate of \$200 a year. A surplus government truck has been acquired by the cooperative to haul vegetables to nearby cities for marketing.

East Central Arkansas Economic Opportunity Corporation, Forrest City, Arkansas

In the fall of 1968 the East Central CAA initiated a feeder pigs program for farmers whose very small acreage does not produce a living wage, and who work seasonally for large landholders to supplement their income. Feeder pig programs generally provide a quick return for a low investment of buildings, equipment, land and livestock. Feed can be grown on the farm.

The program goal is a membership of 400 farmers. Four months after it began, 80 were enrolled, 10 had received FHA loans to buy stock and equipment, and 23 others had approved loans pending.

The Arkansas SEOO Agricultural Specialist suggested the program to the CAA and has worked closely with the staff. The CAA director is also an agricultural specialist, formerly a Cooperative Extension agent. The director of the Feeder Pig program has helped applicants apply for FHA loans and also has succeeded in getting some bank loans for members through a bank chairman whom he interested in becoming an active supporter of the program. Participating farmers are also enthusiastic program boosters and help to recruit new members.

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The county Extension Service, the Eastern Arkansas Cattlemen's Association, private feed companies and a Federal veterinarian give ongoing technical assistance to the new feeder pig producers. Several members have already sold pigs and realized cash income.

The community-building side of the program is illustrated in this incident: The project director asked a black farmer to help a white farmer build a farrowing shed. Both men resisted the idea of working together, but complied with the director's request. After two days of shared work in a project of concern to both of them, they parted with mutual respect and friendship, and an exchange of gifts--a good coon dog and a milk cow.

See also Fayette County Economic Development Commission, Tennessee, in Appendix C.

APPENDIX C. CASE HISTORIES OF BUSINESS AND INDUSTRIAL DEVELOPMENT

Fayette County Economic Development Commission, Somerville, Tennessee

The Fayette County CAA has worked closely with organizations and residents of the county to create jobs through self-help and economic development programs. Several self-help projects including a coop production program are operating through the CAA and its three neighborhood centers; as a result of the coop program, a new food processing plant is opening in early 1969, and will employ 450 people; two industrial parks are nearing completion; and small farmers have joined a cooperative marketing association. The CAA has coordinated its job creation efforts with the Fayette County Court, the Fayette County Industrial Development Commission, EDA, TAP, the Tennessee Foods Company, the school system, the OEO Migrant program, and many public officials and private citizens, white and Negro.

Crop Production. One of the first CAA undertakings was a self-help crop production program for small farmers. This program operated without CAA funds through strong involvement of TAP resources. The TAP, which had originally assisted in incorporating the CAA, gave strong support to the crop program, teaching low-income farmers how to grow okra, green field peas and squash. These crops were selected because they could be grown in the time between cotton chopping and cotton picking, thus giving the farmers income from two crops. The classes covered every phase of production: what crops to grow, how to select planting sites, testing soil, preparing seedbeds, planting, use of fertilizer and lime, cultivation, insect and disease control, and harvesting.

The farmers also learned about finances and keeping records. The Farmers Home supervisor, Soil Conservation supervisor, Extension agency and a vocational agriculture teacher conducted the classes. Representatives of market outlets came to tell the farmers how to get the best prices for their crops. The CAA recruited the farmers to attend classes and helped with transportation problems. The Southern Rural Project, an OEO-funded training program, gave technical assistance.

After the first summer, the TAP agencies assumed total responsibility for the program and have conducted it on their own initiative each succeeding summer. They have also given follow-up help to participants.

Participating farmers have organized area cooperatives and an association of coops which arranges marketing contracts for the growers.

Neighborhood Centers. Three neighborhood centers are the focal points for the community's self-help programs which in addition to crop production include housing, a credit union, senior citizens activities, recreation, homemaking classes including nutrition education by the county home demonstration agent, day care and neighborhood improvement. Neighborhood center advisory committee members have attended conferences on housing and cooperatives to learn about programs and how to get them for their neighborhoods. The neighborhood meetings are open to all residents, and non-poor people often participate in them.

Although the neighborhood advisory committees are part of the CAA, they operate independently in setting their program priorities and conducting their activities. The CAA is frequently asked to provide technical assistance or information. The CAA sees the likelihood of future neighborhood private non-profit corporations serving as housing agencies and delegate agencies of the CAA.

Because many needed programs cannot be begun in the near future, the centers are initiating programs with immediate visible results. These include activities for senior citizens, gardens, and recreation. The centers also provide information and referral services, and have aided many people in obtaining housing loans from FHA.

Industrial Development. The crop production program has proved to be an important factor in bringing industry to the county. Representatives of a frozen food packing corporation learned of the program and met with the CAA director to discuss the possibility of opening a plant which would buy from the growers. The CAA involved the Industrial Development Commission, and further discussion led to negotiation to obtain EDA funding. A decisive factor in the EDA decision proved to be a poverty survey which the CAA had made. As a result, Fayette County received what was up to that time the largest EDA funding in Tennessee: a \$3.9 million commercial loan for the food plant and a \$934,000 grant for water and sewer facilities and an industrial park, in Rossville (population 183); also a \$431,000 business loan and a \$72,000 loan and \$228,000 grant for an industrial park and water and sewer facilities in Gallaway (population 100).

After the EDA funds had been obtained, the CAA and the food company set up a training program for low-income people, using a model line operation for processing, packaging and freezing onion rings. The training is conducted through the adult education program of a Title III-B grant. The food company has agreed to hire 90 percent of the trainees of this program. Eighty women have completed the training cycle and 80 men are now training. The company has provided additional training for three women who are to be hired as supervisors in the new plant.

The food plant will also assure a market for the many small farmers who are members of the cooperative marketing association. Cooperative members choose the staff and directors of the association.

Both the CAA and the food industry are concerned about the children of plant employees, and are making plans for a day care center. The company already operates a center at another plant. Employees of the day care center will receive training through Title III-B, and the program will be coordinated with Head Start and the public school system.

The Fayette County CAA has also developed jobs with existing community employers, including more than 20 permanent jobs for NYC trainees, secretarial positions in the schools for former Head Start aides, permanent jobs for 4 Operation Mainstream men in the local rural electric cooperative; 100 hospital job slots in a neighboring county for Title III-B trainees; and on-the-job training for psychiatric aides in Memphis.

Ful-Mont Development Facility, Fonda, New York

The community action agency for Fulton and Montgomery Counties in New York has helped develop \$11 million worth of plant construction in two years through the CAA-initiated Montgomery-Fulton Counties Economic Development Corporation.

When the CAA was organized in 1965, plants in the area were closing and people were moving out. Now 31 industries have expanded, and 8 new plants have been brought in, resulting in the creation or saving of some 1,100 jobs. For example, when a rug manufacturing firm decided to close its doors, the economic development corporation got busy. A prospective successor was found, which came in and absorbed the plant and the entire working force.

The net effect of the economic development thrust has been to lower the unemployment rate substantially--from 8.5 percent down to 5 percent in Montgomery County--and to draw heavily on rural manpower.

The EDC was created two years ago, with the director paid by the CAA. Both he and the CAA director are directors of the Mohawk Valley Economic Development District, through which EDA has provided funds for water and sewer systems, technical information surveys and some industrial expansion. The EDC has aided applicants in getting loans from the Small Business Administration, and an SBA representative holds consultations with prospective applicants once a month at each of the CAA neighborhood centers. EDC coordination with the Job Development Authority, a State agency, has resulted in loans for industrial buildings and land.

However, most investment capital has come from the private sector. When the CAA initiated economic development two years ago, attitudes in the community were negative. People were accepting plant closings and loss of jobs as inevitable. Now attitudes have changed. Individuals and

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institutions are taking a positive approach toward the future of the area and are more interested in investing in industrial growth.

When the CAA initiated a Department of Labor On-the-Job Training program, response was slow. CAA outreach workers got out and rang doorbells. The economic developer talked to business people. Now 200 have been enrolled in OJT training, and 30 are already working.

Other Ful-Mont achievements have included a mobile unit to supplement the two outreach aides working in rural areas; helping the supervisors of Fulton and Montgomery Counties set up planning boards; getting additional bus service into rural areas; making a survey to determine the need for day care centers; helping to get a new building for the community college which provides education classes for OJT; and coordinating the establishment of an 8-county advisory group on land use.

Upper Peninsula Committee for Area Progress, Escanaba, Michigan

UPCAP, in Michigan's largely rural Upper Peninsula, is an umbrella agency covering six CAAs. It has helped to stimulate \$5 million worth of plant expansion, creating jobs for 655 people; has made 88 loans for \$1.2 million and created 232 jobs through a Small Business Development Corporation, now dissolved; and placed 450 On-the-Job Training trainees with 132 employers. Half the plant expansion and employment is in rural areas.

The Upper Peninsula Committee for Area Progress, in addition to economic development, coordinates human resource programs and provides technical assistance to the six CAAs in the area, under an OEO grant, for management and administration, training of boards, directors and subprofessionals, program development and Head Start training. It also administers the Legal Service and NYC programs on an area-wide basis.

Created in 1961, UPCAP has received grants for economic development from the Area Development Administration and its successor, EDA. These grants have helped to get needed industrial research, and have also been used for expansion of existing industry and formation of local industrial groups. Industries assisted include lumber and wood products, heavy equipment sales, manufacturing and retailing. UPCAP developed the three Economic Development Districts in the Upper Peninsula. The six CAAs are members of these, and use EDD resources for physical planning of programs such as water and sewer development which will make economic growth possible.

An industrial developer and three economic developers are on the UPCAP staff. A large part of the job of the industrial developer is raising investment capital from public and private sources. The economic developers are detailed to administer the EDDs.

UPCAP was active in two cases where a better climate for economic development was the goal. In the first, a move by railroads serving the eastern part of the peninsula to abandon a rail ferry essential to economic development was defeated. The second was a successful drive to bring natural gas service to the peninsula.

The CAAs are members of the UPCAP board and participate in the planning of the umbrella agency. The board also includes representatives of 14 counties, the EDDs and the four Upper Peninsula universities. An essential element of UPCAP success has been its coordination with other agencies, including EDA, the universities, Michigan Employment Security Commission, Michigan Office of Economic Expansion, and other local, State and Federal agencies. In many situations UPCAP plays a supportive, rather than a leading, role in program operation.

UPCAP officials cite these elements as their prime considerations: (1) comprehensive development planning, as opposed to piecemeal planning for individual communities; (2) working on a dual level--regional and local; and (3) coordination with other agencies.

Knox County Economic Opportunity Council, Barbourville, Kentucky

This single-county CAA took over a failing factory owned by local residents and has succeeded in getting several small contracts, mainly in the field of wood products. A CAA-organized manpower workshop is the site of CEP training in ceramics and metal work, and also does subcontract analysis for future economic development. The CAA has opened the Knox County Anti-Poverty Arts and Crafts Store which sells handcrafts made by the local people.

APPENDIX D. CASE HISTORIES OF MANPOWER FUNCTIONS OF THE CAA

West Central Development Corporation, Harlan, Iowa

No employment services were available in the four counties of this CAA in 1965. The CAA started to meet the need with an employment referral service out of its main office in Harlan, and now has employment services in all four of its counties. Senior citizens are employed as job developers, and have canvassed every business in the CAA area, including automobile dealers, implement dealers, feed mills and elevators. Many of these businesses have agreed to take trainees and have given them permanent employment. With a high ratio of older persons in the population, many with no previous history of non-farm employment, special attention has been focused on permanent employment for Operation Mainstream employees. CAA records show 380 persons placed in permanent jobs, 328 others in part time jobs, and 164 in non-CAP training programs.

Mahube Community Council, Detroit Lakes, Minnesota

When this three-county CAA began operation, the only visible employment service was the distribution of unemployment checks, and people in the area referred to "the unemployment service." To get other manpower services they had to travel as much as 80 miles. In response to this situation, the CAA set up a committee of low-income people, CAA board members, and representatives from the business community and government agencies. From this developed a program with a full range of employment services, conducted within each of the three counties by the CAA itself in coordination with the Minnesota Department of Employment Security(MDES). The MDES agreed to provide a trained counselor and interviewer, both to be paid by the CAA. MDES also agreed to supervise the operation of the program, to work out a simplified reporting system which relieved the CAA of a paperwork load, and to continue handling unemployment compensation--the CAA did not wish to be identified with this negative aspect of manpower services.

The Employment Service is staffed by two professionals and three non-professionals who provide job referral and placement services, counseling, testing, and referrals to training. Employment offices are centrally located in two of the three counties. In the third county it has proved more effective to have an itinerant outreach service for residents of the Indian reservation which covers the county. An Indian employee has been effectively reaching the people of this area. Eighty percent of his contacts are with Indians.

CAA outreach aides work closely with the Employment Service staff and make referrals growing out of their home counseling contacts. Local news media have helped create community awareness of the employment program, and word-of-mouth communication also results in many contacts between the Employment Service and the poor.

In 1968 the CAA obtained an agreement with MDES for the State agency to pay the salaries of the two professional employees.

The staff has worked with local employers in development of jobs, although this is very difficult because of the highly seasonal nature of most employment, which depends largely on farming and tourism.

The Mahube CAA has been a major catalyst in the creation of Rural Minne-CEP, a Concentrated Employment Program covering 10 counties--4 CAAs and 3 Indian reservations which also have CAAs. The Mahube CAA was the convenor of the initial meeting to form the CEP. Four CAAs worked with the district supervisor in the CAP Regional Office and secured a meeting with a Manpower representative from the Department of Labor. At this meeting directors of the four CAAs became the incorporators of Rural Minne-CEP. The new agency was organized a short time later, with low-income members on the board and the four CAA directors comprising an advisory committee. The CEP was funded in May 1968, and is now conducting a broad range of training programs. It has requested designation by EDA as an Economic Development District, through which local groups and agencies can work together to build a viable economic base.